

CHAPTER X

APPROPRIATION REVERSIONS

CHAPTER X

APPROPRIATION REVERSIONS

PURPOSE:

The purpose of this section is to provide guidance for state agencies to revert uncommitted spending authority on expiring or completed capital construction projects. In addition, this section addresses requests for continuation of committed or encumbered funds on expired projects.

Please refer to Volume 2, Section 2, Chapters 1 through 5 of the COFRS User Reference Manual for detailed instructions on how to prepare and complete appropriation transactions.

DEFINITIONS:

See Chapter 1, Section 2.

SECTION 1
PROJECT APPROPRIATION REVERSIONS

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS:

Capital construction project appropriations are available until the completion of the project or for a period of three years, whichever comes first. For the purposes of counting the three-year period, year one begins the first day the appropriation becomes available. For example, if the Governor approves the Long Bill on May 2, 2001, the calculation for the three-year period begins May 2, 2001, and the projects would expire on May 2, 2004. For administrative purposes only, reversions of uncommitted funds on expiring projects are processed at the end of the fiscal year in which the project expires.

Once a project is complete or has reached the end of its three-year life, any unexpended or uncommitted project appropriation must be reverted. This reversion process reduces the unexpended budget to zero in order to ensure no additional expenditures can be recorded and to properly reflect the capital construction appropriations that are available and need to be continued into the subsequent fiscal year. This process generally occurs at the end of a fiscal year, but may be done at any time during the year.

In the spring of each fiscal year, the SCO will distribute to each state agency with capital construction projects a Capital Construction Continuing Appropriations Status Form (CCCAS). This form is intended as a turn-around form to be used by state agencies to support their request for project appropriation continuation. There will be two parts of the form. One part will be for projects that are at the end of their three-year life and should be reverted at the end of the current fiscal year, and the other part of the form is for projects still within their three-year life.

The CCCAS form for reverting projects includes the following information:

- ♦ Each project title (appropriation name) name and short name including the project number);
- ♦ Long Bill Line Item number;
- ♦ Agency, Fund, Appropriation Code, Funding Source Code;
- ♦ The fiscal year the project expires;
- ♦ The projects original legislation and the projects last legislation (if different from the original).

Project reversions are done on a project-by-project basis at the state agency's initiation. There are three ways that the state agency may request reversions of all of their projects:

1. Submit a single form for all projects at one time;
2. Submit a separate form for each project reversion at different times; or
3. Some combination of the two methods.

Due dates for CCCAS forms will be published annually in the annual Open and Close Instructions. Appropriation transactions require both a Level 3 (state agency) and Level 5 (SCO) approval.

PROCEDURAL STEPS:

There are four actions that can take place based on the CCCAS form. The request can be to:

- ♦ Continue a project appropriation;
- ♦ Revert the excess appropriation of a continuing but completed project;
- ♦ Revert an expired project; or
- ♦ Continue an expired project.

The discussion on the first item is in Chapter 2, Section 5.

Reverting a Project Appropriation at Fiscal Year End (completed or expiring project):

Step 1: SCO distributes the CCCAS forms to the state agencies.

Step 2: The state agency completes CCCAS turnaround form by indicating that it is reversion and not a carry forward, entering the beginning budget, entering the remaining budget, listing the Fiscal Year AP transaction for the reversion, and getting the appropriate state agency signatures.

Step 3: The state agency prepares and approves an error free AP transaction. The amount to be reverted is the unexpended amount at the close of the current fiscal year. AP and CCCAS should be submitted to FAST. AP used to complete this action must use SAI "06".

Step 4: The state agency submits the AP and CCCAS form to FAST. SC 4.1's are not required.

Requesting Continuation of an Expiring Project.

A. *Reverting an uncommitted appropriation at fiscal year end:*

Step 1: SCO distributes the CCCAS forms to the state agencies.

Step 2: The state agency completes CCCAS turnaround form by indicating reverting portion of the expiring project, entering the dollar amount of the beginning budget, entering the dollar amount of any remaining budget, entering the dollar amount of any continuing encumbrances, and listing the old fiscal year AP transaction for the reversion.

Step 3: The state agency prepares and approves an error free AP transaction. The amount to be reverted is the uncommitted amount at the close of the fiscal year. AP used to complete this action must use SAI "06".

B. Rolling forward any continuing encumbrance:

Step 1: The state agency completes the CCCAS turnaround form by indicating the justification for the continuing portion of the expiring project, indicating a request for a carry forward and not a reversion, listing the new fiscal year AP transaction for the carry-forward, and getting the appropriate state agency signatures.

Step 2: The state agency prepares and approves an error free AP transaction. The amount to be carried forward is the amount of valid and open contracts/POs at the close of the previous fiscal year. No additional unsupported amount will be approved for continuation. In addition, state agency should provide a list of all valid and open contracts/POs by document number and open amount. AP, encumbrance list, and CCCAS should be submitted to the SCO. AP used to complete this action must use SAI "08".

There may be extenuating circumstances that necessitate the carry forward of unencumbered amounts. To do this, write a letter to the State Controller and State Buildings clearly explaining the condition and requesting the carry forward. If both the State Controller and State Buildings approve, the state agency will be notified to prepare an AP transaction to record the carry forward.

Step 3: The state agency submits the AP and CCCAS form to FAST. SC 4.1's are not required.

Reverting a Project Appropriation During the Fiscal Year:

Step 1: The state agency prepares and approves an error free AP transaction. The amount to be reverted is the unexpended amount at the point that the reversion is requested. AP used to complete this action must use SAI "06". Include on the AP a justification as to why the reversion is taking place at that point in the fiscal year.

Step 2: The state agency submits the AP to FAST. SC 4.1's are not required.